



Apcotex Industries Limited

Business Responsibility Policy

VERSION HISTORY

Version	Adopted / Amended by	Date of Approval / Amendment
1	Board of Directors	March 24, 2021
2	Board of Directors	January 28, 2025

1. **INTRODUCTION:**

The Securities and Exchange Board of India (SEBI) has notified the SEBI (Listing Obligations and Disclosure Requirements) (LODR) Regulations, 2015 which are applicable to all listed entity with effect from 1st December, 2015.

As per the Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), with effect from the financial year 2022-23, annual report of listed entity (top 1000 listed entities based on market capitalization calculated as on March 31 of every year) shall contain, Business Responsibility and Sustainability Report (BRSR) describing the initiatives taken by them from an environmental, social and governance (ESG) perspective, in the format as specified by the SEBI.

SEBI vide its circular No. SEBI/HO/CFD/CMD-2/P/CIR/2021/562, dated May 10, 2021 prescribed the format of the BRSR and the guidance note thereat. The BRSR seeks disclosures from listed entities on their performance against the nine principles of the 'National Guidelines on Responsible Business Conduct' (**NGBRs**) and reporting under each principle is divided into essential and leadership indicators. The essential indicators are required to be reported on a mandatory basis while the reporting of leadership indicators is on a voluntary basis. Listed entities are expected to report the leadership indicators also. The BRSR is intended towards having quantitative and standardized disclosures on Environmental, Social, and Governance (ESG) parameters to enable comparability across companies, sectors and time. The BRSR shall also enable companies to engage more meaningfully with their stakeholders, by encouraging them to look beyond financials and towards social and environmental impacts.

2. OBJECTIVE:

This Policy on Business Responsibility has been framed in line with the requirements of Regulation 34 of the SEBI (LODR) Regulations, 2015, as may be modified from time to time, and is intended to ensure that the Company actively contributes towards sustainable development and standardized disclosures on Environmental, Social, and Governance (ESG) parameters.

3. APPLICABILITY:

This Policy is applicable to all executives, employees, associates, retainers, consultants, and supply chain partners whether part-time or full-time, fixed term, or trainee of the Company, with partial or full access to its systems and information infrastructures.

4. IMPLEMENTATION:

The Key Managerial Personnel's (KMP's) and the respective functional heads of the Company, be and are hereby severally and/or jointly responsible for implementing and overseeing this Policy. The Executive Director(s) of the Company shall be responsible for decision making on sustainability related issues and will oversee the implementation of the Policy. The Business Responsibility and Sustainability Policy shall be appropriately communicated within the Company across all levels and shall be displayed on the Company's website. Compliance with the Policy shall be monitored and evaluated on regular basis. Respective Functional Heads will formulate action plan / checklist to ensure compliances of the various principles enunciated in the Business Responsibility and Sustainability Policy. Any grievances / complaints with respect to non-compliance with the Policy shall be reported to the Managing Director.

5. BOARD APPROVAL:

All the policies including Business Responsibility Policy (including amendments thereto) have been formulated by the management of the Company in consultation with the relevant stakeholders and are approved by the Board of Directors of the Company.

6. POLICY AMENDMENTS:

The policy will be subject to review and amendment, as and when necessary, to ensure the same remains relevant and aligned with the evolving best practices and regulatory changes. In case of discrepancies in policy and applicable laws, applicable laws will prevail.

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PRINCIPLE 1
INTEGRITY, ETHICS, TRANSPARENCY & ACCOUNTABILITY

Apcotex is committed to conducting its business in accordance with the applicable laws, rules and regulations and with highest standards of business ethics. The Company has in place the Code of Conduct (“Code”) for its Directors and Senior Management Personnel and their confirmations to the Code is obtained by the Company on periodical basis.

This Principle is broadly elaborated below is intended to provide guidance and help in recognizing and dealing with ethical issues, provide mechanisms to report unethical conduct, and to help foster a culture of honesty and accountability. The objective is to ensure the highest standards of ethical conduct, transparency and accountability while dealing with the stakeholders.

Principle 1 broadly covers:

1. The Company will follow its governance structures, practices and procedures that ensure ethical conduct at all levels and promote the adoption of this principles across its value chain.
2. The Company will endeavor transparent communication with its stakeholders and assure access to information relating to decisions that impact the stakeholders.
3. The Company will not engage in practices that are abusive, corrupt, or anti-competition.
4. The Company will truthfully discharge their responsibility on financial and other mandatory disclosures.
5. The Company shall avoid complicity with the actions of any third party that violates any of the principles contained in these Guidelines.
6. The Company shall ensure that genuine concerns of misconduct/ unlawful conduct can be reported in a responsible and confidential manner through its Vigil Mechanism.

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PRINCIPLE 2

PRODUCT LIFECYCLE SUSTAINABILITY AND SAFE

Apcotex has intertwined the principles of safety and sustainability into its processes and products throughout its lifecycle which covers various stages beginning from procurement of raw material, product design and manufacturing till its delivery to the customers.

Principle 2 broadly covers:

1. Work towards safe and optimal use of resources over the life-cycle of its products and services, including recycling of resources wherever possible.
2. Take appropriate steps to raise the consumer's awareness of their rights through education, product labelling, appropriate and helpful marketing communication, full details of contents and composition and promotion of safe usage and disposal of their products and services.
3. Ensure that the manufacturing processes and technologies required to produce its products are resource efficient, safe and sustainable.
4. Regularly review and improve upon the process of new technology development, deployment and commercialization, incorporating social, ethical, and environmental considerations.
5. Recognize and respect the rights of people who may be owners of traditional knowledge, and other forms of intellectual property.
6. Recognize that over-consumption results in unsustainable exploitation of our planet's resources, and should therefore, promote sustainable consumption, including recycling of resources.
7. Ensure compliance with the applicable laws with respect to product manufacturing and sales.

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PRINCIPLE 3

EMPLOYEE WELL-BEING INCLUDING THOSE IN THEIR VALUE CHAINS

The Company is committed to professional development and growth of employees through selecting the right candidate for right job, monitoring performance for optimum utilization of their potential, providing growth opportunities and inculcating the culture of mutual faith and accountability. Apcotex is also committed to the holistic growth of employees by motivating them to perform at the peak of their potential by imparting necessary guidance and training at all levels and providing them with opportunities for enhancing their knowledge and honing their skills.

The policies, procedures and practices in the Company are aligned to meet employees' well-being, diversity, non-discrimination, safety and health so as to have a healthy, cordial and harmonious relationships and value enhancement at all levels.

Principle 3 broadly covers:

1. The Company shall provide and maintain equal opportunities at the time of recruitment as well as during the course of employment irrespective of caste, creed, gender, race, religion, disability or sexual orientation.
2. The Company shall respect the right to freedom of association, participation, collective bargaining, and provide access to appropriate grievance redressal mechanisms.
3. The Company shall not use child labour, forced labour or any form of involuntary labour, paid or unpaid.
4. The Company shall ensure that no employee is made to work against his / her will or to work as bonded/forced labour or subjected to corporal punishment or coercion of any kind, related to work.
5. The Company shall provide a work environment that is free from any form of discrimination, exploitation and harassment including but not limited to sexual harassment.
6. The Company shall create systems and practices to ensure a harassment-free workplace where employees feel safe and secure in discharging their responsibilities.
7. The Company shall strive to instill a sense of duty in every employee including those of service providers at the Company's premises, towards their personal safety, as well as that of their co-workers.
8. The Company shall strive to take cognizance of the work-life balance of its all the employees.
9. The Company shall strive to provide facilities for the well-being of its employees including those with special needs.

10. The Company shall ensure timely payment of fair living wages to meet basic needs and economic security of the employees.
11. The Company shall provide a workplace environment that is safe, hygienic humane, and which upholds the dignity of the employees.
12. The Company shall ensure continuous skill and competence upgrading of all employees by providing access to necessary learning opportunities, on an equal and nondiscriminatory basis.
13. The Company shall promote employee morale and career development through enlightened human resource interventions.
14. The Company will promote the well-being of employees and their value chains.

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PRINCIPLE 4

STAKEHOLDERS ENGAGEMENT

The Company gives utmost importance to healthy engagement with its various stakeholders like employees, suppliers, stockiest, dealers, customers, shareholders / investors, communities surrounding the operations and government / regulatory authorities. The Company continues its engagement with them through various mechanisms such as supplier/vendor meets, customer/employee satisfaction surveys, investor forums, consultations with local communities etc.

Principle 4 envisages:

1. The Company shall understand the concerns of its stakeholders, define its purpose and scope of engagement, and commit to engaging with them.
2. The Company shall acknowledge, assume responsibility and be transparent about the impact of their policies, decisions, product & services and associated operations on the stakeholders.
3. The Company shall strive to give special attention to stakeholders in areas that are underdeveloped.
4. The Company shall resolve differences with stakeholders in a just, fair and equitable manner.

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PRINCIPLE 5

HUMAN RIGHTS

Apcotex believes that human rights are fundamental, inherent, universal, indivisible and interdependent in nature and hence, continuously strive to ensure that employees' basic human rights are protected.

1. The Company will observe that basic human rights of the employees are respected, valued and protected keeping in mind the Constitution of India, Laws, Policies and the International Bill of Human Rights and accordingly, formulate all policies, practices, procedures and rules of the Company.
2. The Company shall integrate respect for human rights in management systems, in particular through assessing and managing human rights from impacts of operations, and ensuring all individuals if impacted by the business have access to grievance mechanisms.
3. The Company recognizes and respects the human rights of all relevant stakeholders and groups, including that of communities, consumers and vulnerable and marginalized groups.
4. The Company shall, within its sphere of influence, promote the awareness and realization of human rights across their value chain.
5. The Company shall encourage its business partners and third parties with whom it conducts business to abide by this policy.
6. The Company will ensure that each employee is made aware of their basic rights and redressal mechanisms.

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PRINCIPLE 6

ENVIRONMENT PROTECTION

Apcotex is committed to safety and preservation of environment and has formulated “Quality, Health, Safety and Environment Policy”. Apcotex also believes in conservation of natural resources and minimizing hazardous impact on the ecological environment.

Apcotex’s Policy on environment protection covers:

1. The Company shall utilize natural and manmade resources in an optimal and responsible manner and ensure the sustainability of resources by reducing, reusing, recycling and managing waste.
2. The Company shall take measures to check and prevent pollution. The Company shall assess the environmental damage and bear the cost of pollution abatement with due regard to public interest.
3. The Company shall ensure that benefits arising out of access and commercialization of biological and other natural resources and associated traditional knowledge are shared equitably.
4. The Company shall continuously seek to improve their environmental performance by adopting cleaner production methods, promoting use of energy efficient and environment friendly technologies and use of renewable energy.
5. The Company shall develop Environment Management Systems and contingency plans and processes that shall help it in preventing, mitigating and controlling environmental damages and disasters, which may be caused due to its operations.
6. The Company shall strive to report its environmental performance, including the assessment of potential environmental risks associated with their operations, to the stakeholders in a fair and transparent manner.
7. The Company shall proactively persuade and support its value chain to adopt these principles.

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PRINCIPLE 7

RESPONSIBLE ADVOCACY

Apcotex believes that to protect overall interest of its business and the diverse stakeholders, the Company has to express its fair views, opinions, representations, concerns etc on the policies framed by the competent authorities. The Company, may either itself or through various association/forums/chambers make such representations etc before the competent authorities. The Company's engagement with the relevant association/forums/chambers etc is guided by the values of commitment, integrity, transparency and the need to balance interests of diverse stakeholders.

Principle 7

1. The Company will make reasonable efforts to ensure that its advocacy positions are consistent with the principles and core elements enhancing business responsibility and transparency.
2. The Company may, in the best interest of all stakeholders, provide inputs in policy making decisions to various governmental authorities and agencies which concern the business and as well as the society in general, either directly or through the trade and industry chambers and such other collective platforms.

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PRINCIPLE 8
INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

Apcotex's philosophy for delineating its responsibility as a corporate citizen is covered through its CSR policy which encompasses guidelines and mechanism for undertaking socially relevant programs for welfare and sustainable development of the community at large.

The Company has in place a Corporate Social Responsibility Policy framed as per the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014 and is carrying out various CSR activities in accordance with the Schedule VII to the Companies Act, 2013.

Our core principles covered in Principle 8, for inclusive growth and equitable development are:

1. Identification of the impact of the Company's operations on social and economic development and to minimize the negative impacts, if any on the same.
2. Innovation and investment in products, technologies and processes on continuous basis for the overall wellbeing of the society.
3. The Company endeavors to undertake various community development activities at local and national level and to ensure that appropriate mechanism for resettlement and rehabilitation of communities who have been displaced due to business operations are in place.
4. The Company will endeavor to give priority to the regions that are underdeveloped near the business operations of the Company.

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PRINCIPLE 9

CUSTOMER VALUE

Customers are one of the most important stakeholders. The foundation of the Company is based on the trust, satisfaction and loyalty of our consumers across the world. The Company's products are industrial chemical products and hence, it continuously strives to make available its products that are safe and competitively priced for the benefits of its customers / end users. Apcotex believes in enhancing customer value and satisfaction covered under Principle 9:

1. The Company, while serving the needs of their customers, will take into account the overall well-being of the customers and that of society.
2. The Company will ensure that they do not restrict the freedom of choice and free competition in any manner while designing, promoting and selling their products.
3. The Company will disclose all information truthfully and factually, through labelling and other means, including the risks to the individual, to society and to the planet from the use of the products, so that the customers can exercise their freedom to consume in a responsible manner. Where required, the Company shall also educate their customers on the safe and responsible usage of their products and services.
4. The Company will promote and advertise their products in ways that do not mislead or confuse the consumers or violate any of the principles in these Guidelines.
5. The Company will exercise due care and caution while providing goods and services that result in over-exploitation of natural resources or lead to excessive conspicuous consumption.
6. The Company will provide adequate grievance handling mechanisms to address customer concerns and feedback.

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